

SCMS FY16 Q1 Quarterly Performance Report

FY16 Q1 October–December 2015

February 29, 2016

About SCMS

The Supply Chain Management System (SCMS) was established to enable the unprecedented scale-up of HIV/AIDS prevention, care, and treatment programs in the developing world. SCMS procures and distributes essential medicines and health supplies, works to strengthen existing supply chains in the field, and facilitates collaboration and the exchange of information among key donors and other service providers. SCMS is an international team of 16 organizations funded by the US President's Emergency Plan for AIDS Relief (PEPFAR). The project is managed by the US Agency for International Development.

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Supply Chain Management System

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Acronyms

ACF	Allocated cost factor
AIDS	Acquired immune deficiency syndrome
API	Active pharmaceutical ingredient
ARV	Antiretroviral
A/R	Atazanavir/Ritonavir
BMS	Bristol-Myers Squibb
BRC	Blended RDC charge
CMM	Capability maturity model
COR	Contracting Officer's Representative
CPP	Coordinated procurement planning
DPIM	Demand Planning and Inventory Management
DRC	Democratic Republic of the Congo
EQA	External quality assurance
FASP	Forecasting and supply planning
FDA	Food and Drug Administration
FO	Field office
GF	Global Fund
GHSC	Global Health Supply Chain
GSK	GlaxoSmithKline
HIV	Human immunodeficiency virus
HRCD	Human resource capacity development
HRDT	HIV rapid diagnostic test
KPI	Key performance indicator
LMIS	Logistics management information system
LMU	Logistics Management Unit
LOP	Life of project
L/R	Lopinavir/Ritonavir
MOH	Ministry of Health
MoHSS	Ministry of Health and Social Services
MPPD	Medical Procurement and Production Division
MSD	Medical Stores Department
NPSP	Nouvelle Pharmacie de la Santé Publique (NPSP)
NSCA	National supply chain assessment
OJT	On-the-job training
OTD	On-time delivery
PEPFAR	President's Emergency Plan for AIDS Relief
PFSCM	Partnership for Supply Chain Management
PNLA	PEPFAR National Logistics Advisor
PPM	Pooled procurement mechanism

PPU	Procurement and Planning Unit
PQ	Price quotation
PSM	Procurement and Supply Management
RDC	Regional distribution center
RMI	Remote Medical International
SOP	Standard operating procedure
TA	Technical assistance
TLE	Tenofovir, Lamivudine, and Efavirenz
TWG	Technical working group
USFDA	US Food and Drug Administration
VMMC	Voluntary medical male circumcision
VOTD	Vendor on-time delivery
WHO	World Health Organization

Executive Summary

SCMS is pleased to submit the FY16 Q1 quarterly report based on the four goal areas outlined in the SCMS Performance Management Plan:

- Access
- Strengthen systems
- Leadership and partnership
- Operational excellence

FY16 Q1 performance highlights and key challenges include the following:

- In FY16 Q1, SCMS delivered \$69.8 million in products through 704 shipments. Forward orders far exceeded deliveries in the quarter (\$154 million) indicating that we are planning for high volume deliveries to build in country stock in the final months of SCMS.
- On-time delivery (OTD) for the quarter was above target at 81 percent. Due to issues in field office managed procurement of lab commodities, OTD fell to 75 percent in October but improved significantly to 86 percent in December, with every product category recorded OTD above target.
- Uncertainty around close out dates for the project presents challenges for management of pending orders in the global supply chain, creating potential risk of supply interruption during the transition period. To mitigate this risk the project is working closely with USAID and PSM to agree transition milestones that will minimize the risk of supply interruption, but the long lead time for key products, e.g. high-volume ARVs for stock, will require early transition of responsibility for order placement for selected products.
- Project performance is at risk due to challenges with staff retention during the transition; including on-time delivery and PQ turnaround time. SCMS will coordinate with PSM to mitigate these risks. SCMS will also act to backfill posts as necessary, although there will continue to be challenges where long-standing transfer transition off the project taking their experience and institutional memory. SCMS is not reporting on measure 1.2.3, on-time price quotation (PQ) turnaround time (HIV RTKs), and 1.3.1, pharmaceutical product sampling, as these activities transitioned to Remote Medical International (RMI) and FHI 360, respectively.
- PEPFAR 3.0 combined with 90-90-90 goals increase uncertainty and complexity, potentially adversely affecting forecast accuracy. PEPFAR 3.0 strategy is to implement a focused effort on identifying HIV positive people and initiating them on treatment. The 90-90-90 approach to ending the epidemic requires a significant growth in the numbers on ART in many countries. This focus introduces new and often unique considerations to the defining of assumptions key to the systematic development of a forecast in each country. We envision that the complexity of the process will increase significantly. SCMS will provide guidance to inform future quantifications on the potential impact of 90-90-90 and PEPFAR 3.0 strategies.
- SCMS remains in contact with ARV suppliers to monitor the market. In this quarter:

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- Following US(t)FDA approvals for Ritonavir 100 mg single dose, Cipla has not yet commercialized this product, which is undergoing sampling and testing. Access will improve once this product is available. Currently, Abbvie is the only eligible source.
 - Mylan announced it will no longer produce Didanosine 400 mg due to the complexity involved in its processing. This limits procurement avenues for SCMS to only two remaining suppliers: Aurobindo and Bristol-Myers Squibb (BMS). However, this product has been removed from World Health Organization (WHO) Guidelines and is no longer recommended for patients.
 - Completed the tendering and order placement of the ARV restocking orders to the regional distribution centers (RDCs) to meet the future delivery demand of SCMS clients through June 2016. In this process, SCMS procured around \$100 million worth of ARVs covering 19 products, with Tenofovir, Lamivudine, and Efavirenz (TLE) dominating the requirement.
 - Despite increased unrest and violence, particularly in the Bujumbura region, and the evacuation of senior management personnel to Rwanda in mid-December, 25 PEPFAR-supported health districts were resupplied with HIV commodities to avoid stockout during the end of December and early January. SCMS assisted the HIV/AIDS program (PNLS) in monitoring stock levels and planning year-end supplies. FY16 Q1 performance reflects these efforts, with logistics management information system (LMIS) reporting rates increasing from 36 percent to 72 percent over the last two quarters.
 - Completed work on two major warehouse-in-a-box (WiB) projects in Rwanda and Côte d'Ivoire.
 - In Rwanda, the Ministry of Health (MOH) and USAID held a grand opening celebrating the completion of the WiB located on the premises of the Medical Procurement and Production Division (MPPD) in Kacyiru. With 1,050 square meters of storage space, the facility increases MPPD's total storage capacity by 16 percent and the amount of storage space owned by the MOH by 30 percent.
 - In Côte d'Ivoire, handed over the WiB at the central medical store, Nouvelle Pharmacie de la Santé Publique (NPSP), in Abidjan. A larger and better-organized storage area improves NPSP's storage and distribution system, essential to meeting the growing needs of NPSP and its clients. The official inauguration ceremony took place in January.
 - SCMS convened the final Coordinated Procurement Planning (CPP) Initiative meeting of 2015. Participants considered the initiative's current remit and decided to undertake a major review of the CPP in Q1 2016. USAID and Global Fund (GF) proposed re-examining the CPP scope of work and comparing it with cooperative efforts in other health areas, such as family planning and malaria. SCMS will prepare an options paper for the CPP steering committee.
 - SCMS hosted the ARV and diagnostic forecasts technical working group meetings. The meetings were co-chaired by WHO and USAID and attended by 30 participants from Avenir Health, CDC, CHAI, EXPERTISE FRANCE, FDA, MPP, SCMS, UNITAID, USAID and WHO. The objective of these meetings was to share and discuss different

forecast methodologies, assumptions, and outputs and to reach consensus on the products that will be delivered at the ARV and diagnostics manufacturers meetings in Geneva March 8–11.

Key Quarterly Statistics

Key statistics	FY16 Q1	FY16 to date	Life of project
Value of commodities delivered	\$69.8 million	\$69.8 million	\$2.52 billion
Number of deliveries	704	704	24,979
Countries receiving shipments	28	28	64
Percent generic ARVs by value	93%	93%	92%
Counterfeit products detected	0	0	0

FY15 Q4 Performance

Goal 1: Access

Objective	Measure	Target	FY15 Q2	FY15 Q3	FY15 Q4	FY16 Q1
1.1 Security	1.1.1 Product Loss: Shipping and Storage	≤ 3%	0.15%	0.00%	0.00%	0.01%
1.2 Reliability	1.2.1 SCMS-Related Stockout Rates	≤ 12 per year	0	0	0	0
	1.2.2 On-Time Delivery	Core: 80%	86%	87%	79%	81%
		Non-core: 70%	88%	75%	87%	86%
	1.2.3 On-Time PQ Turnaround	ARV: 70%	100%	83%	68%	69%
		Test kits: 85%	67%	86%	75%	Transitioned to RMI
		Voluntary medical male circumcision (VMMC) kits: 80%	79%	91%	89%	80%
	1.2.4 Forecast Accuracy	70%				
1.3 Quality Products	1.3.1 Pharmaceutical Product Sampling—Actual Pulled versus Flagged	88%	100%	100%	100%	Transitioned to FHI 360
1.4 Strengthen Reach	1.4.1 Planned, Unplanned, and Emergency Orders	Planned: N/A	72%	36%	53%	65%
		Unplanned: N/A	25%	52%	46%	28%
		Emergency: N/A	3%	10%	1%	7%

Goal 2: Strengthen systems

Objective	Measure	Target (Interim)	FY15 Q2	FY15 Q3	FY15 Q4	FY16 Q1
2.1 Capacity and Capability	2.1.1a Strategic Plans	50%	FY15: 53%			To be updated in FY16 Q2
	2.1.1b Forecasting and Supply Planning (FASP) Country Ownership	75%	FY15: 66%			
	2.1.1c Standard Operating Procedures (SOPs)	80%	FY15: 89%			
	2.1.2 Competency	80%	85%	86%	90%	90%
	2.1.3 Supply Chain Assessment: Capability Maturity Model (CMM) Score	60%	No assessments conducted during the quarter			
2.2 Performance	2.2.1 Supply Chain Performance: In-Country	80%				
	2.2.1a Facility Reporting Rates		81%	85%	88%	87%
	2.2.1b Expiry		0.41%	1%	0.3%	0.0%
	2.2.1c On-Time Delivery	75%	84%	91%	88%	90%
	2.2.1d Stockout Rate	5%	9%	9%	10%	6%
	2.2.1e Order Fill Rate	80%	93%	86%	92%	90%
	2.2.2 Supply Chain Assessment: Key Performance Indicator (KPI) Score	60%	No assessments conducted during the quarter			

Goal 3: Leadership and partnership

Objective	Measure	Target	FY15	FY16 (to date)
3.1 Collaboration	3.1.1 Coordinated Procurement Mechanism	80%	95%	To be updated FY16 Q2
	3.1.2 Number of CPP Country-at-Risk Schedule Submissions Per Year	4 (annual)	4	0
3.2 Knowledge Exchange	3.2.1 Publishing	6 (annual)	5	1
	3.2.2 Presentations	20 (annual)	23	9

Goal 4: Operational excellence

Objective	Measure	Target	FY15 Q2	FY15 Q3	FY15 Q4	FY16 Q1
4.1 Cost Effective	4.1.1a Cost Effective: RDC Expiry and Blended RDC (BRC) Reporting	Expiry RDC stock: $\leq 3\%$	0.0%	0.0%	0.01%	0.04%
		BRC reporting rate: 12	FY15: 12			3
	4.1.1b Cost Effective: Surcharge	$\leq 5\%$	Life of project (LOP): 3.90%			
	4.1.1c Cost Effective: Allocated Cost Factor (ACF)	$\leq 12\%$	LOP: 9.78%			
	4.1.2 ARV Price Comparison: SCMS versus Global Pricing Reporting Mechanism	70%	Annual Measure			
	4.1.3 Ocean Freight: Percentage of All Freight	$\geq 50\%$	80%	73%	61%	78%
4.2 Best Value	4.2.1 Client Satisfaction: Products Ordered/Received and TA	Products ordered/received: 85%	To be covered in end of project survey			
		Technical assistance: 85%	To be covered in end of project survey			
4.3 Continuous Improvement	4.3.1a Annual Partner Operational Review	100%	FY15: 100%			Annual Measure
	4.3.1b Percent of TA Trips Processed On Time	80%	52%	56%	65%	41%
	4.3.2 Core Systems Uptime: Potential versus Actual	Orion: $\geq 95\%$	99.3%	99.1%	99.6%	99.1%
		KT: $\geq 95\%$	99.8%	100%	99.9%	99.9%

Quarterly Performance

Goal 1: Access

Provide quality HIV/AIDS commodities efficiently and effectively.

In FY16 Q1, SCMS met or exceeded all of its performance targets with the exception of ARV PQ turnaround time. Four of 14 PQs were late due to longer than anticipated client approval times.

The percentage of unplanned orders declined significantly from 46 percent to 28 percent during the quarter, as SCMS placed its RDC ARV re-stocking orders to fulfill planned order needs through the end of June 2016. As we approach the final order placement dates and last deliveries under SCMS management before transition to the new Procurement and Supply Management (PSM) project, we expect increased volatility in the proportion of planned versus unplanned orders, but hope to contain emergency orders at the current low levels.

SCMS is not reporting on measure 1.2.3, on-time PQ turnaround time (HIV RTKs), and 1.3.1, pharmaceutical product sampling, as these activities transitioned to RMI and FHI 360, respectively.

Objective	Measure	Target	FY15 Q2	FY15 Q3	FY15 Q4	FY16 Q1
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		Unplanned: N/A	25%	52%	46%	28%
		Emergency: N/A	3%	10%	1%	7%

Key results and challenges

Forecasting and supply planning

- The USAID Contracting Officer's Representative (COR) team requested our assistance in estimating the ARV funding gap for COP16 for PEPFAR countries. We developed a survey tool and a presentation template, which field offices (FOs) completed based on the country's last quantification exercise and the most recent supply plan. Each country-specific presentation, as well as funding gap estimates, indicated the national ART program's adoption of WHO guidelines and UNAIDS' 90-90-90 strategy, which detailed the patient population and growth and identified the dominant treatment regimens currently in use.
- Completed the quarterly pediatric ARV collaboration and ordering process in conjunction with other members of the Pediatric ARV Procurement Consortium. We provided forecasting data for pediatric ARV demands on SCMS countries. Through this process we combined SCMS order volumes with those of other consortium partners to better match ARV vendor batch size requirements, especially for oral solutions, thereby improving supply security for these low-volume products.

Procurement and supply

SCMS delivered a total of \$69.8 million in commodities during the quarter while maintaining an overall OTD of 81 percent.

- Placed orders for \$7 million of ARVs on behalf of the Ukrainian MOH using the Emergency Commodity Fund. Negotiations led to a savings of \$3.4 million, and deliveries are scheduled to begin in January 2016. The order, approved by the Ukrainian MOH, will fill an estimated gap of 18,000 patients as the country moves toward ART initiation when the CD4 count is below 500.
- Completed the tendering and order placement of the ARV restocking orders to the RDCs to meet the future delivery demand of SCMS clients through June 2016. In this process, SCMS procured about \$100 million worth of ARVs covering 19 products, with TLE dominating the requirement (Efavirenz/Lamivudine/Tenofovir Disoproxil Fumarate 600/300/300 mg, tablets, 30 tabs).
- SCMS remains in contact with ARV suppliers to monitor the market:
 - Cipla has not yet commercialized Ritonavir 100 mg single dose, which received USFDA approval in March 2015, as three validation batches of 16,500 packs each are needed for sampling and testing. With Cipla approval, access will be greatly improved. Currently, Abbvie is only eligible to source under USAID quality requirements of USFDA approval.
 - In November, Mylan announced it will no longer produce Didanosine 400 mg due to the complexity involved in its processing. This limits procurement avenues for SCMS to only two remaining suppliers, Aurobindo and BMS. However, this product has been removed from WHO Guidance and is being phased out.

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- Currently in discussions with ViiV Healthcare/GlaxoSmithKline (GSK) to gain access to Dolutegravir 50 mg tablets manufactured by GSK. ViiV is an independent pharmaceutical company established in 2009 by the merging of HIV portfolios from GSK and Pfizer. According to the last communication from ViiV, Dolutegravir 50 mg is registered in Guyana, Ivory Coast, Nigeria, and Zimbabwe. For other countries in Sub-Saharan Africa, ViiV's registration process is ongoing. Product pricing will depend on the region and the country's economic status.

Quality assurance

- IDA Foundation issued a recall notification for four batches of Metronidazole 500 mg tablets manufactured by Medopharm. SCMS procured two batches that were part of the recall for Haiti and Mali. Reverse logistics procedures were initiated in both countries with the goal of taking all remaining unused product out of the market for destruction. This effort is ongoing.

Freight and logistics

- The SCMS security team is gearing up for a network-wide security audit of all storage facilities. The audit covers all RDCs, the Singapore Global Distribution Center, and in-country operations, the most significant of which is the Nigeria local supply chain consisting of a local distribution center and six zonal distribution centers. This task is an insurance requirement to address potential fire and loss associated with storing goods either in-country or in strategic stockholding locations. We will share security audit results with the insurance company, and any gaps noted will be addressed within a specified timeframe.
- The SCMS RDC in Kenya moved into a new, state-of-the-art 10,000 m² multimarket warehouse in Nairobi. The new facility, which uses solar power, was built for the growing public and commercial pharmaceutical sectors of Imperial Health Sciences (IHS). The move into the new facility took effect after the warehouse was certified by the Kenya Pharmacy and Poisons Board (PPB) and passed all of IHS's stringent pharmaceutical audit requirements.
- The Government of Kenya recently altered its clearance process for air and ocean shipments to include a physical inspection of each shipment. Previously, shipments often cleared Kenya Customs based on documentation alone receiving the needed clearance exemption code from the Kenyan MOH and PPB. This new process has been challenging in that it initially added a number of days to the clearance process. However, the UPS agent and IHS local staff in Kenya have worked closely with Kenya Customs and PPB to minimize the impact on clearance times, adding only two to three days to the clearance process.

Emergency orders and stockouts

- In Guatemala, 11 ARVs remain under minimum levels and are at risk of stockout by the second quarter of 2016 due to an MOH procurement budget reduction. Confirmation of delivery dates for the emergency procurement plan approved by the country coordinating mechanism is still pending.

- In Guyana, arranged a loan of 15,000 RTKs from PEPFAR to the Ministry of Public Health to alleviate a shortage caused by delays in government procurement.
- In Mozambique, launched several urgent procurements to avoid stockouts and ensure testing continuity when the Central Laboratory Department informed us that delivery of the early infant diagnosis reagents procured by the Global Fund was delayed. Reagents to fill the gap between CHAI and GF deliveries will be delivered in January and February.

Key issues

Update on key issues and corrective actions			
Key issues	Corrective actions	Progress	Quarter identified
VMMC kit and commodity forecasting is weak, leading to high percentages of unplanned orders.	Work with top VMMC countries to improve forecasting.	We consistently request more data from countries, but improvement in obtaining forecasts from countries is limited due to programmatic uncertainty and volatile demand. This challenge is expected to continue.	FY15 Q2
Lopinavir/Ritonavir supply shortages continue.	Monitor the stock situations in-country and communicate routinely with suppliers.	Production is considered back to normal with the backlog cleared at the end of FY15 Q4. This product is part of routine monitoring, as lead times are still long.	FY15 Q4
Lab suppliers changing delivery dates after order placement.	Meet with vendors. Met with Fisher in October, and agreed that in the future, the company will confirm its lead times with its manufacturers before submitting bids to PFSCM. BD meeting is being scheduled.	Meetings were held with Fisher and BD. We have seen improvement from Fisher and the company is now confirming availability from the manufacturer before submitting a bid to PFSCM. Although BD performance is improving, some challenges still exist with several local suppliers who are licensed to sell BD products.	FY15 Q4

Key risks

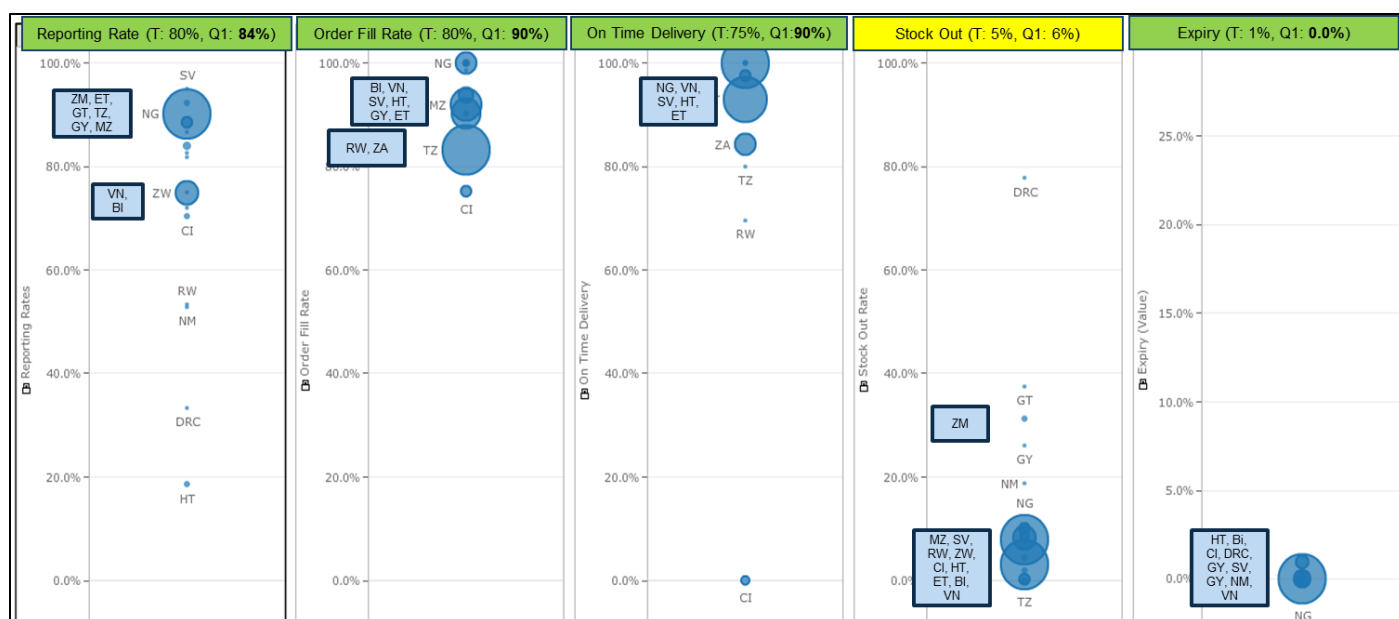
- Staff retention challenges present a risk to procurement performance through the end of the project (PQ turnaround time and on-time delivery). To mitigate this risk, departing staff will be replaced with consultants or temporary employees, or by reaching back to PFSCM consortium members for HQ or other staff. This will allow us to maintain staffing levels, but as these new employees may not be subject matter experts and will not be fully familiar with SCMS processes and practices, there will be an increased risk of process errors and inefficiencies that may affect project performance levels.

Goal 2: Strengthen systems

Strengthen supply chains to increase access to quality HIV/AIDS commodities.

Objective	Measure	Target (Interim)	FY15 Q2	FY15 Q3	FY15 Q4	FY16 Q1
2.1 Capacity and Capability	2.1.1a Strategic Plans	50%	FY15: 53%			To be updated in FY16 Q2
	2.1.1b FASP Country Ownership	75%	FY15: 66%			
	2.1.1c SOPs	80%	FY15: 89%			
	2.1.2 Competency	80%	85%	86%	90%	90%
	2.1.3 Supply Chain Assessment: CMM Score	60%	No assessments conducted during the quarter			
2.2 Performance	2.2.1 Supply Chain Performance: In-Country	80%				
	2.2.1a Facility Reporting Rates		81%	85%	88%	87%
	2.2.2b Expiry	1%	0.41%	1%	0.3%	0.0%
	2.2.2c On-Time Delivery	75%	84%	91%	88%	90%
	2.2.2d Stockout Rate	5%	9%	9%	10%	6%
	2.2.2e Order Fill Rate	80%	93%	86%	92%	90%
	2.2.2 Supply Chain Assessment: KPI Score ¹	60%	No assessments conducted during the quarter			

In FY16 Q1, performance met or exceeded targets for four of five supply chain performance (in-country supported) measures.



*This graphic displays scores for the measures of in-country (supported sites) performance for five key metrics: facility reporting rate, order fill rate, on-time delivery, stockout rate, and expiry. The scores are disaggregated, with each bubble representing a specific country's performance for the measure.

Stockout rates reduced to 6 percent at SCMS-supported sites this quarter, from 9 percent in FY15 Q4, with 10 of 16 countries reporting reductions in stockout rates this quarter. A few successes include:

- In Côte d'Ivoire, stockout rates were below target at 4 percent for the first time in a year. Only nine sites experienced a stockout during the quarter.
- In Tanzania, stockout rates fell from 14 percent to 3 percent as a result of improved order fill rate from MSD.

Although globally, SCMS-supported sites experienced less stockouts, country-specific challenges still exist.

Country	FY15 Q4	FY16 Q1	Challenge
Democratic Republic of the Congo (DRC)	12% (5/12)	78% (7/9)	Increased field office activities and staffing shortages led to insufficient order and stock level monitoring.
Guatemala	56% (9/16)	38% (6/16)	Pan American Health Organization funding delayed and cut in half. High stockout rates are expected to continue until the funding challenges are resolved.
Namibia	22% (10/45)	19% (9/48)	Continued issues with suppliers who fail to deliver due to low quoted prices and currency fluctuations led to a high percentage of stockouts again in FY16 Q1.
Nigeria	12% (665/5,558)	8% (432/5,487)	Although performance improved, Nigeria continues to experience challenges primarily due to the increased consumption of Determine test kits. SCMS staff is embedded to the state Logistics Management Coordinating Units to improve monitoring and evaluation.

Tanzania	14% (745/5,489)	3% (171/5,591)	Lowest stockout rate since FY13 Q3 and significant reduction in stockouts due to improved order fill rate from Medical Stores Department (MSD).
Zambia	34% (79/234)	41% (94/227)	Challenges with inventory management as the country scales up use of new pediatric ARV regimens including: <ol style="list-style-type: none"> 1. Lack of timely ordering for supplemental commodities for scale up. 2. Facilities are dispensing more than one month to patients due to long distance of travel. AMC was not updated leading to ordering challenges

Key results and challenges

- In Burundi, despite increased unrest and violence, particularly in the Bujumbura region, and the evacuation of senior management personnel to Rwanda in mid-December, 25 PEPFAR-supported health districts were resupplied with HIV commodities to avoid stockout during the end of December and early January. SCMS assisted the HIV/AIDS program (PNLS) in monitoring stock levels and planning year-end supplies. We maintained daily communication with district pharmacies and the central medical store (CAMEBU) to anticipate any supply issues. Performance reflects that with these efforts, LMIS reporting rates increased from 36 percent to 72 percent over the last two quarters, and stockout rates at CAMEBU continued to be maintained at 0 percent.
- SCMS has completed the request for quotation (RFQ) process to procure and install 115 modular storage units in Malawi and 34 units in Zambia, submitting all required documentation to USAID/Washington for final approval. Both projects are scheduled to be completed by June 2016.
- Led a multi-country demonstration of LabEQIP, a new laboratory quality improvement and performance management software. Before LabEQIP, resource-limited countries often reported poor external quality assessment (EQA) performance and limited site-level coverage data. LabEQIP will enable countries and stakeholders to use geographic information systems in assessing site-level EQA performance to optimize sample referral and transportation networks for improved diagnostic testing.
- In Burma, completed a functional test of mSupply, an electronic warehouse management system to ensure the specified features and reports were developed and incorporated into the system properly. Despite poor Internet quality in Burma, the testing with remote support from the mSupply vendor went well. Issues are resolved and the application is finalized for training. User acceptance testing and rollout are scheduled for January.
- Also in Burma, 3MDG funded a new project, the Regional Supply Chain System (RSCS), which will support remote health facilities in improving quality of monthly stock reporting. By improving data quality, townships and the MOH hope to have more accurate forecasts and CMS requisitions. SCMS supported the requirement gathering and conducted tool evaluation by interviewing vendors and stakeholders, observed system demos, and reviewed relevant system documentation. We assisted the RSCS team in

developing the required documentation to seek approval from 3MDG for implementation, including the 3MDG proposal, project plan, and budget.

- In Namibia, analyzed data on prices paid for ARVs compared with international reference prices. The report, prepared for USAID, showed that Namibia could have potentially saved between \$7.3 million and \$9.2 million last year in ARV procurement costs—enough to put an additional 69,000 to 109,000 adult patients on treatment for one year. The Mission used the report in presenting the Ministry of Health and Social Services (MoHSS) with options for efficiently leveraging available resources to put more people on ART and control the country’s HIV epidemic.

Warehouses-in-a-box

- In Côte d’Ivoire, handed over the WiB at the central medical store, Nouvelle Pharmacie de la Santé Publique (NPSP), in Abidjan. A larger and better-organized storage area will help the NPSP improve its storage and distribution system and will be essential in meeting the growing needs of NPSP and its clients. The official inauguration ceremony took place in January.
- In Rwanda, MOH and USAID held a grand opening celebrating the completion of the WiB located on the premises of the Medical Procurement and Production Division (MPPD) in Kacyiru. With 1,050 square meters of storage space, the facility increases MPPD’s total storage capacity by 16 percent and the amount of storage space owned by the MOH by 30 percent. The warehouse is forecasted to provide cost savings to MPPD by reducing the need to rent warehouse space. The new warehouse’s cold room doubles the refrigeration storage capacity at MPPD and introduces a freezer for important medicines that require refrigeration, including some HIV-related products.
- In Rwanda and Tanzania, experienced issues with taxes levied against subcontractors involved in WiB projects.
 - In Rwanda, value-added tax exemption for the WiB project is outstanding.
 - The tax issue raised by the Tanzania Revenue Authority in relation to the WiB implementing subcontractor has been resolved.

Key issues

Update on key issues and corrective actions			
Key issues	Corrective actions	Progress	Quarter identified
Namibia has had stockouts due to a poor supply planning and procurement process by the government, coupled with late delivery from suppliers.	Build formal supply planning and monitoring processes into the new LMU.	Since September, SCMS has contributed significantly to the pharmaceutical info dashboard as a part of addressing the issue of supply planning and forecasting in Namibia. Program staff will be supporting district facilities and personnel to improve monitoring. The new staffing structure is pending government action, specifically recruitment and organization.	FY15 Q2
Most countries have experienced continued stockouts.	Analyze key countries to determine root causes.	COMPLETE. Analysis of seven key countries completed with root causes identified. Stock rates improved this quarter in many of the seven countries.	FY15 Q3
Insufficient or untimely use of data to identify potential stockouts and/or take corrective actions.	Review country LMIS systems and the use of data for monitoring pipeline, forecasting, and developing effective supply plans, to identify process improvements to reduce stockouts and take timely preventative actions.	Not yet started. Update to be provided in FY16 Q2	FY15 Q4
Persistent low OTD and OF in CI due to poor management of stock, especially following physical inventory	Long term SCMS TA to examine situation and make recommendations	To be updated in FY15 Q2	FY16 Q1

Key risks

- PFSCM staff attrition at PMO and FOs puts at risk our ability to meet performance targets. SCMS will continue to work to mitigate these risks by:
 - Identifying key positions for backfill arrangements
 - Providing staffing transition guidance to country directors and unit managers
 - Managing transition dates during in-country visits with USAID and PSM.
- Funding gaps create potential risks of stock shortage or interruptions in DRC and Zimbabwe.
 - In DRC, pivotal to PEPFAR 3.0, a shortage of funding and dependency on GF principal recipients combine to increase risks of stockouts and expiries.
 - In Zimbabwe, an anticipated funding gap of \$150 million while targets increase creates the risk of future stockouts. To mitigate this risk, SCMS plans to coordinate with other donors to find a solution to close this funding gap.

Goal 3: Leadership and partnership

Collaborate with key constituencies to strengthen health supply chains and encourage best-practice adoption.

Objective	Measure	Target	FY15	FY16 (to date)
3.1 Collaboration	3.1.1 Coordinated Procurement Mechanism	80%	95%	To be updated FY16 Q2
	3.1.2 Number of CPP Country-at-Risk Schedule Submissions Per Year	4 (annual)	4	0
3.2 Knowledge Exchange	3.2.1 Publishing	6 (annual)	5	1
	3.2.2 Presentations	20 (annual)	23	9

Key results and challenges

- Two SCMS representatives contributed to the Global Health Delivery Online expert panel on clinically integrated supply chains. Oluwaseun Ayanniyi, CSCP, MS, B.Pharm, and Scott Kellerman, MD, MPH, discussed challenges of including medical professionals in supply chain management and of building clinically integrated supply chains.
- Hosted the ARV and diagnostic forecasts technical working group meetings. The meetings were co-chaired by WHO and USAID and attended by 30 participants from Avenir Health, CDC, CHAI, EXPERTISE FRANCE, FDA, MPP, SCMS, UNITAID, USAID, and WHO. The objective of these meetings was to share and discuss different forecast methodologies, assumptions, and outputs and to reach consensus on the products that will be delivered at the ARV and diagnostics manufacturers meetings in Geneva March 8–11.
- Attended the Global Health Supply Chain Summit (GHSCS) 2015 in Dakar, Senegal. The summit focused on data visibility, outsourcing, and collaboration. We shared our experience in VMMC logistics and use of logistics management systems and supply coordination.
- Attended a joint UNICEF, UNFPA, and WHO meeting with manufacturers and suppliers of diagnostic products, vaccines, finished pharmaceutical products, and active pharmaceutical ingredients, and presented on supply challenges with essential medicines. This well-attended meeting covered a range of current topics with a strong focus on HIV. SCMS presented on the challenges faced in sourcing quality-assured essential medicines in Africa and the alternative approaches we have pursued to meet these challenges.
- Convened the final Coordinated Procurement Planning (CPP) Initiative meeting of 2015. Participants considered the initiative's current remit and decided to undertake a major review of the CPP in Q1 2016. USAID and GF proposed re-examining the CPP scope of work and comparing it with cooperative efforts in other health areas, such as family planning and malaria. The review will also explore the potential to have CPP hosted within a UN agency, or similar international organization, rather than being dependent on a time-limited USAID project. SCMS will prepare an options paper for the CPP steering committee to consider in an in-person meeting, proposed to be held coincident with the WHO manufacturer meetings in Geneva in March.

-
- Presented three papers and two posters at the Tanzania Health Summit in Dar es Salaam. This annual event attracts about 500 public health stakeholders, including doctors, nurses, pharmacists, policymakers, health insurers, investors, and suppliers. Its goal is to exchange ideas and best practices across disciplines to improve public health and health care delivery in Tanzania.

Key issues

Update on key Issues and corrective actions			
Key Issues	Corrective actions	Progress	Quarter identified
N/A			

Key risks

- N/A

Goal 4: Operational excellence

Operate an organization that provides best-value supply chain and systems strengthening services.

SCMS met or exceeded the performance targets for all measures, except the percentage of technical assistance (TA) trips processed three or more weeks before travel.

Objective	Measure	Target	FY15 Q2	FY15 Q3	FY15 Q4	FY16 Q1
4.1 Cost Effective	4.1.1a Cost Effective: Regional Distribution Center (RDC) Expiry and Blended RDC (BRC) Reporting	Expiry RDC stock: $\leq 3\%$	0.0%	0.0%	0.01%	0.04%
		BRC reporting rate: 12	FY15: 12			3
	4.1.1b Cost Effective: Surcharge	$\leq 5\%$	Life of project (LOP): 3.90%			
	4.1.1c Cost Effective: Allocated Cost Factor (ACF)	$\leq 12\%$	LOP: 9.78%			
	4.1.2 ARV Price Comparison: SCMS versus Global Pricing Reporting Mechanism	70%	Annual Measure			
	4.1.3 Ocean Freight: Percentage of All Freight	$\geq 50\%$	80%	73%	61%	78%
4.2 Best Value	4.2.1 Client Satisfaction: Products Ordered/Received and TA	Products ordered/received: 85%	To be covered in end of project survey			
		Technical assistance: 85%	To be covered in end of project survey			
4.3 Continuous Improvement	4.3.1a Annual Partner Operational Review	100%	FY15: 100%			Annual Measure
	4.3.1b Percent of TA Trips Processed On Time	80%	52%	56%	65%	41%
	4.3.2 Core Systems Uptime: Potential versus Actual	Orion: $\geq 95\%$	99.3%	99.1%	99.6%	99.1%
		KT: $\geq 95\%$	99.8%	100%	99.9%	99.9%

Key results and challenges

- The TA trip processing time measure continues to be below target, dropping to 41 percent in FY16 Q1. As the transition proceeds, continued urgent travel requests will arise, and SCMS anticipates continued challenges with this target.
- SCMS had a loss to expiry of more than \$28K during the period. Most of this expiry was VMCM product (MC kit, essential consumables for male circumcision, single use, sterile, 1 kit) where \$25K worth of aging product had to be written off. An additional \$60K of VMCM products are at risk for expiry during the course of the next year. SCMS is in discussion with the Global Fund about potentially taking the product to avoid expiry.

Key issues

Update on key issues and corrective actions			
Key issues	Corrective actions	Progress	Quarter introduced
N/A			

Key risks

N/A

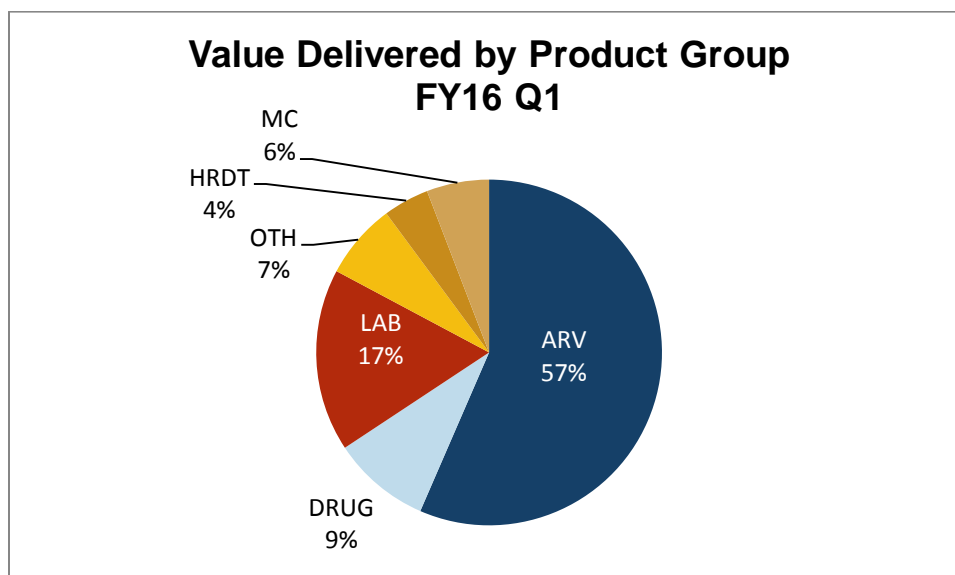
Annex 1. Key Quarterly Statistics

I. Value Delivered

In FY16 Q1, SCMS delivered \$69.8 million in commodities to our clients, including \$39.4 million in ARVs and \$11.9 million in lab products.

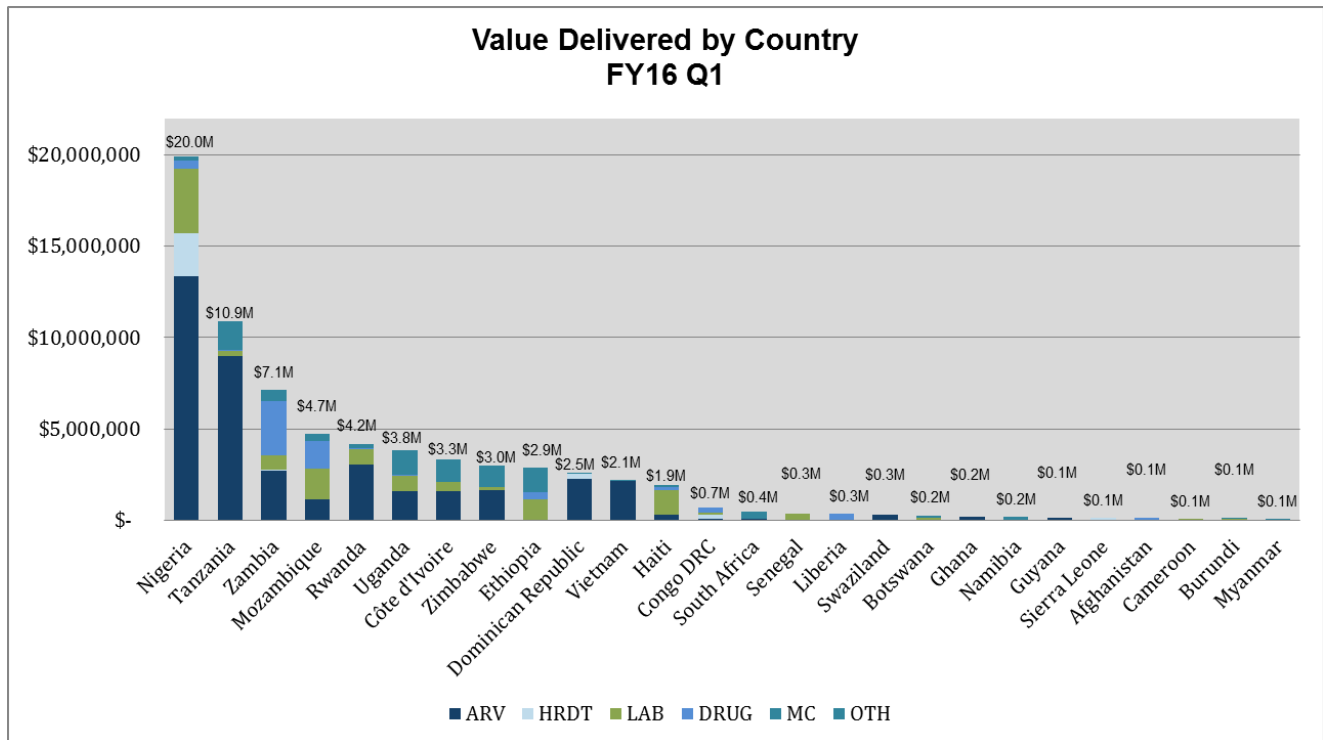
Product Type	FY16 Q1	FY16 to date	LOP
ARV	\$ 39,447,861	\$ 39,447,861	\$ 1,469,683,905
DRUG	\$ 6,415,439	\$ 6,415,439	\$ 116,409,191
LAB	\$ 11,926,972	\$ 11,926,972	\$ 516,684,866
OTH	\$ 4,941,100	\$ 4,941,100	\$ 117,194,487
HRDT	\$ 2,991,468	\$ 2,991,468	\$ 230,357,439
MC	\$ 4,079,886	\$ 4,079,886	\$ 75,413,530
Grand Total	\$ 69,802,726	\$ 69,802,726	\$ 2,525,743,418

**This table illustrates the value delivered by product category for the current quarter, fiscal year to date, and life of project.*



**This graph illustrates the percentage of value delivered by product category for the current quarter. The "other" category includes anti-malarials, food by prescription, and other.*

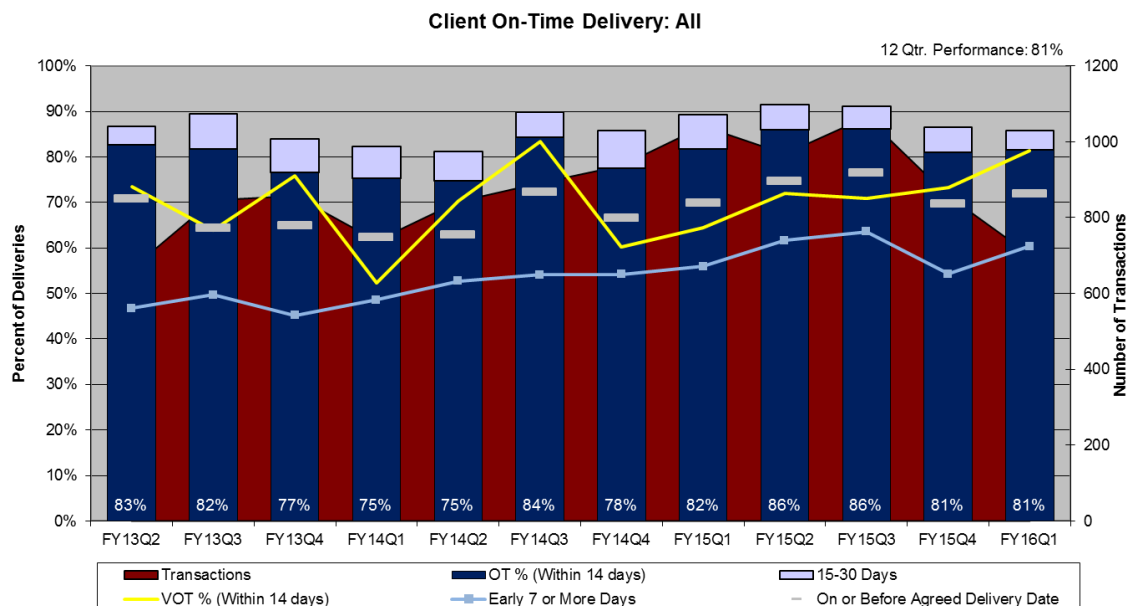
Nigeria accounted for the largest portion of the value delivered, with \$20.0 million of the \$69.8 million total for FY16 Q1.



**This figure illustrates the value delivered by country for the current quarter. Each color indicates a product category, which is detailed in the legend. Countries receiving less than \$50,000 of deliveries during the quarter are not included in the figure.*

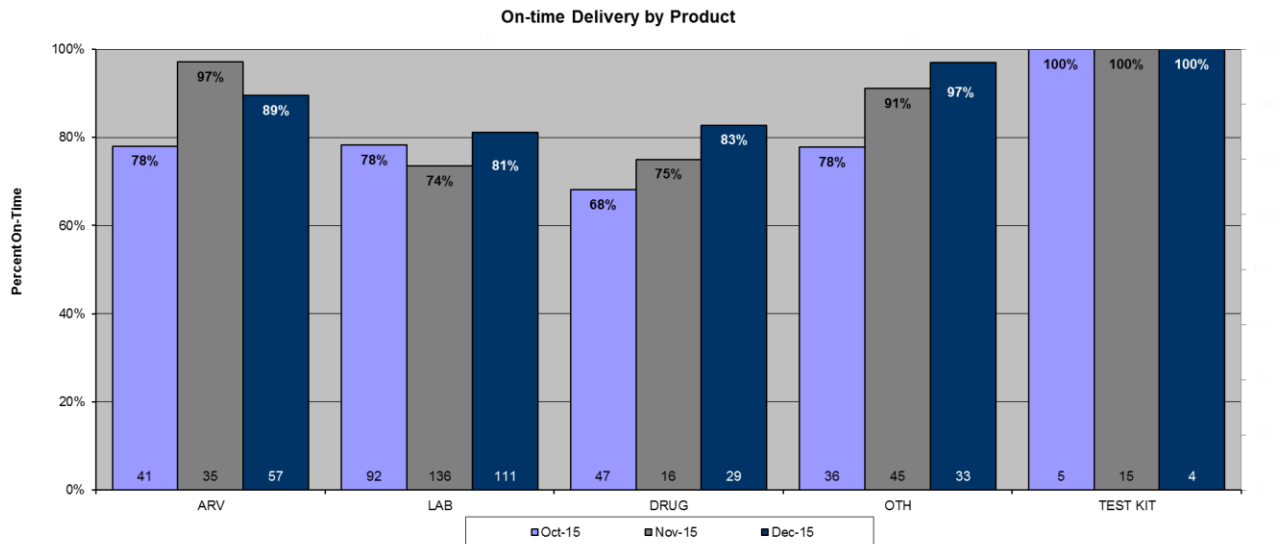
II. On-time Delivery: All Products

On-time delivery was 81 percent in FY16 Q1. This quarter marks the fifth in a row with on-time delivery at or above the 80 percent target.



**The above figure illustrates client on-time delivery for all product categories by month for the past three years. As the legend shows, the dark blue indicates the percentage of deliveries that met the OTD target; the light blue highlights the additional percentage of those that were delivered within 15 to 30 days of target; the red background illustrates the number of deliveries per month, labeled on the right axis; and the yellow trend line illustrates the vendor on-time delivery (VOTD) rate for each month.*

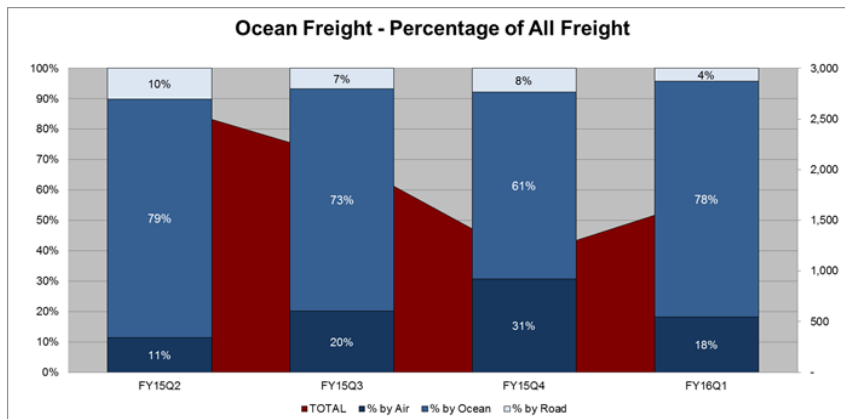
OTD by product category was high for ARV and other products, averaging 88 percent and 89 percent respectively for the quarter. In December, often a difficult month due to the holiday season, every product category recorded OTD above target.



**This graph illustrates OTD by product category for each month of the quarter. The number at the bottom of each bar represents the number of shipments.*

III. Freight

Ocean freight continues to make up most of the SCMS shipment tonnage. In FY16 Q1, ocean freight increased to 78 percent of tonnage. This increase is due to the higher volumes of planned orders.



**This figure illustrates the volume (tonnage) of shipments by each transportation method (air, ocean, and road) by quarter. Each color represents a different mode of transportation, which is detailed in the legend.*

IV. Forward Orders

New Orders Placed October–December 2015	
Grand Total	\$154,033,397
Direct Drop Total	\$63,112,244
RDC Stock Total	\$90,921,153
Product Categories	
ARV	\$102,470,083
DRUG	\$13,392,318
Test Kits	\$81,120
Lab	\$28,297,645
MC	\$278,418
Other	\$9,513,813

Annex 2. Measure-Specific Performance

Measure-specific performance updates will be provided in a separate attachment each quarter, sent at the same time as this report.

Annex 3. Progress Against the Workplan

Project-wide workplan progress updates will be provided in a separate attachment each quarter, sent at the same time as this report.

Annex 4. Quarterly Financial Reports

In view of the confidential nature of the financial details, this information will be provided under cover of a separate email, sent at the same time as this report.

Annex 5. Risk Matrix

Risk no.	Quarter identified	Associated measure	Risk	Probability	Impact	Response option	Mitigating actions	Owner
FY13								
1	Q3	1.2.1 SCMS-Related Stockouts	Stock levels drop below required level; could lead to stockouts.	Medium	High	Mitigate	Provide quarterly updates of supply plans to monitor stock levels.	Chris Larson Robert Burn
2	Q3	2.1.1 Country Ownership	Current SCMS responsibilities must be transitioned to countries effectively.	Medium	High	Mitigate	Advocate for accountability with withdrawal strategy.	Erin Hasselberg
3	Q3	4.1.1b Cost Effective: Surcharge	Surcharge does not remain within target due to low sales volume or disproportionate operating costs.	Medium	High	Mitigate	Increase volume of commodity sales and/or decrease operating costs.	Delphine Johnson
4	Q3	4.1.1c Cost Effective: ACF	ACF does not remain within target due to lower-than-expected country budgets or higher operating costs.	Medium	High	Mitigate	Maintain country activities according to extension budget or decrease operating costs.	Delphine Johnson
FY14								
1	Q2	4.1.1a RDC Expiry and BRC Reporting	Overrun against BRC revenue.	High	Medium	Mitigate	Reroute VMMC, minimize air-in, monitor.	Delphine Johnson
2	Q2	4.1.1a RDC Expiry and BRC Reporting	Expiry leads to stock loss.	Low	Medium	Refine inventory strategies	Review safety stock levels for at-risk items.	Chris Larson

Risk no.	Quarter identified	Associated measure	Risk	Probability	Impact	Response option	Mitigating actions	Owner
3	Q3	1.2.2a OTD: Core Products	Transition of SCMS to Global Health Supply Chain (GHSC) can disrupt the supply chain.	High	High	Mitigate	Conduct scenario planning.	Steve Patras
4	Q3	1.4.1 Planned, Unplanned, and Emergency Orders	Adequate stock must be maintained during transition to GHSC.	Medium	High	Mitigate	Work with countries in ensuring supply plans are in place to understand demand through the transition period.	Chris Larson
5	Q3	2.1.2 Training and Competency	Staff turnover affects capacity-strengthening activities.	Medium	Medium	Mitigate	HRCD TWG will review knowledge management options to address staff turnover and knowledge and skills transfer.	Cheryl Mayo
6	Q4	1.2.4 Forecast Accuracy	Future changes in program implementation to address 90-90-90 strategy and WHO's planned review of its current guidelines (2015) will likely affect the validity of current forecast assumptions.	High	High	Mitigate	Initiate conversations with MOH counterparts to address 90-90-90 scale-up and anticipated WHO regimen transitions by June 30, 2015.	Robert Burn
7	Q4	2.1.1 Country Ownership	FASP will be at low capacity after SCMS ends.	Medium	High	Transfer	Transition to the new contractor.	Greg Miles
FY15								

Risk no.	Quarter identified	Associated measure	Risk	Probability	Impact	Response option	Mitigating actions	Owner
1	Q2	2.2.1 Supply Chain Performance (SCMS-Supported)	Burundi political unrest could disrupt supply chain.	Medium	High	Mitigate	FO managing crisis operations plan, providing weekly status updates to manage risk.	Olya Duzey
2	Q3	1.4.1 Planned, Unplanned, and Emergency Orders	Unplanned VMMC orders cannot be fulfilled per requested date.	Medium	Medium	Mitigate	Continue working with countries to improve VMMC commodity planning.	Juan Jaramillo
3	Q3	2.2.1 Supply Chain Performance (SCMS-Supported)	Project staff attrition could impede data collection, analysis, and corrective actions of performance issues.	Medium	High	Mitigate	Review country PMP measures against updated workplans for relevance and feasibility.	Doug Schlemmer
4	Q3	2.2.1 Supply Chain Performance (SCMS-Supported)	DRC budget for procurement continues to be inadequate, resulting in a fragile system.	High	High	Mitigate	Closely monitor demand and stock levels at CDRs and continue to advocate for increased budget.	Alan Pringle
5	Q4	1.2.2a OTD: Core Products	FO performance due to transition issues.	Medium	High	Training; move some process to PMO	Support training on SOPs and work instructions by phone and other means.	Collin Chigombi Steve Patras
6	Q4	1.2.3a On-time PQ Turnaround: ARVs	Increased unplanned orders lead to increased direct drop shipments for ARVs, which will elongate PQ turnaround time.	High	Medium	Accept	N/A	Chris Larson

Risk no.	Quarter identified	Associated measure	Risk	Probability	Impact	Response option	Mitigating actions	Owner
7	Q4	2.2.1 Supply Chain Performance (SCMS-Supported)	Current practices in a number of countries in using data for decision making, monitoring pipeline, introducing new regimens and algorithms, and stock taking pose the risk of continued stockouts.	Medium	High	Mitigate	Execute and track planned corrective actions.	Greg Miles
8	Q4	4.1.1a Cost Effective: RDC Expiry and BRC Reporting	Expiry of VMMC products expected (PrePex) due to lower-than-expected consumption.	High	Medium	Accept	N/A	Chris Larson Juan Jaramillo
9	Q4	4.1.3 Ocean Freight: Percentage of All Freight	A continued decline in planned orders can result in decreased use of ocean transportation.	Medium	High	Mitigate	Use supply plans whenever possible to maximize ocean shipping opportunities.	F&L, Demand Planning
10	Q4	4.3.1b Percent of TA Trips Processed On Time	As planned TA winds down toward the transition and closeout date, there is a risk of increased unplanned TA.	Medium	Medium	Mitigate	Work with countries to plan TA through extension period.	Diane Reynolds
FY16								

Risk no.	Quarter identified	Associated measure	Risk	Probability	Impact	Response option	Mitigating actions	Owner
1	Q1	1.2.2a OTD: Core Products	Maintaining KPIs on performance due to staff departing project.	High	High	Mitigate	Hiring consultants and temp employees with Procurement background to fill the gap.	Steve Patras
2	Q1	2.1.2 Training & Competency	Ethiopia reported MOH training freeze which prevented targeted trainings to occur	High	High	Mitigate	SCMS will continue to work with the MOH to identify options for providing trainings for staff during the freeze	Cheryl Mayo
3	Q1	2.2.1 Supply Chain Performance SCMS Supported	PFSCM staff attrition at PMO and FOs will impact ability to meet performance targets	High	High	Mitigate	1. PMO: Identify key positions for backfill arrangements 2. Field: Provide staffing transition guidance to CDs. 3. Field: Transition dates will be managed during in-country visits with USAID and PSM.	1. E. Asfaw 2. G. Miles 3. G. Miles
4	Q1	2.2.1 Supply Chain Performance SCMS Supported	DRC : Pivot to PEPFAR 3.0, shortage of funding and dependency on GF PRs combine to increase risks of stocks and expiries	High	High	Mitigate	Conduct joint quantification with GF PRs and adjust supply plans accordingly	A. Pringle
5	Q1	2.2.1 Supply Chain Performance SCMS Supported	ZW: Anticipated funding gap of \$150 m while targets increase, risk future stock outs	High	High	Mitigate	Organize Joint Donor trip to speak with MoH	G. Miles

Risk no.	Quarter identified	Associated measure	Risk	Probability	Impact	Response option	Mitigating actions	Owner
6	Q1	2.2.1 Supply Chain Performance SCMS Supported	Sustainability risk in countries not ready to manage SC (GY)	High	High	Mitigate	Present information to CPP	D. Jamieson
Risks removed from risk matrix								
1	Q4	1.2.2a OTD: Core Products	Number of vendors (essential medicines) is inadequate.	High	High	Mitigate	Follow up with multiple vendors on request for proposal.	Chryste Best, Henk den Besten
2	Q4	1.2.2a OTD: Core Products	Demand is increasing for Tenofovir 3 fixed-dose combination.	High	High	Mitigate	Align voluntary pooled procurement and SCMS strategy to balance supply and demand.	Ard van Dongen
3	Q4	2.2.1 Supply Chain Performance (SCMS-Supported)	Increasing the number of SCMS-supported sites could affect performance (Mozambique, Nigeria, and Zimbabwe).	High	High	Observe	Accept.	N/A
4	Q3	3.1.2 Number of CPP At-Risk Schedule Submissions	External (Steering Committee decisions).	Low	Medium	Accept	Consult often with Steering Committee members.	Dominique Zwinkels
5	Q3	4.3.1b Percent of TA Trips Processed On Time	Emergency travel justification becomes a routine travel request process.	High	Low	Avoid	Signatories need to do root cause analysis at time of receipt.	Deputy Director
6	Q1	1.2.2a OTD: Core Products	The new regimen transition brings more unplanned and emergency orders for ARVs.	High	High	Mitigate	Manage expectations closely with customers and FOs.	Inventory Manager and Project Office Manager at PPU

Risk no.	Quarter identified	Associated measure	Risk	Probability	Impact	Response option	Mitigating actions	Owner
7	Q1	1.2.4 Forecast Accuracy	Forecast accuracy declines as June 2013 WHO Treatment Guidelines are adopted.	High	High	Mitigate	Provide guidelines to FOs on data, target setting, scheduling, and frequency of forecasting.	DPIM Unit
8	Q3	1.2.2b OTD: Non-Core Products	DRC delivery continues to be a challenge due to import delays and local supplier OTD.	High	Medium	Mitigate	Complete final stages of setting up indefinite quantity contracts and service-level contracts with large local suppliers.	Peter Smith
9	Q3	2.2.1 Supply Chain Performance (SCMS-Supported)	Low order fulfillment and potential stockouts are associated with limitations on imported ARVs by the Tanzania FDA.	Medium	High	Mitigate	Currently resolved; SCMS is testing commodities to Tanzania FDA's satisfaction. Monitoring continues.	Tom Layloff
10	Q3	2.2.1 Supply Chain Performance (SCMS-Supported)	Greater coordination with pooled procurement mechanism (PPM) is needed to avoid low order fulfillment in Tanzania.	High	High	Mitigate	Streamline SCMS and PPM communication so we can communicate promptly with stakeholders.	Caroline Healey

Risk no.	Quarter identified	Associated measure	Risk	Probability	Impact	Response option	Mitigating actions	Owner
11	Q4	4.1.1a Cost Effective: RDC Expiry and BRC Reporting	Expiry produces stock loss.	Medium	Low	Mitigate	Actively work to place short-dated stocks with clients who can use them in normal order flow. Actively pursue donation options from RDCs for short-dated stocks.	Chris Larson
12	Q1	2.2.1 Supply Chain Performance (SCMS-Supported)	Transition to new regimens in absence of integrated supply chain planning could disrupt stock availability in countries.	Medium	Medium	Mitigate	SCMS Project Management Office to draft updated transition guidance and request advocacy with WHO from COR/Office of the US Global AIDS Coordinator.	Alan Pringle Robert Burn
13	Q3	3.2.2 Presentations	Opportunities for external presentations are reduced.	Medium	Medium	Mitigate	Ensure SCMS is aware of appropriate events where we could add value.	Samantha Salcedo David Jamieson
14	Q4	1.2.2a OTD: Core Products	VMMC deliveries continue to be late during the transition to new warehouses.	Medium	High	Mitigate	Increase communication with new facilities and revise facility SOPs.	Juan Jaramillo
18	Q4	2.1.3 Supply Chain Assessment: CMM Score	The appropriate number of sites must be determined.	High	High	Engage a sampling expert to evaluate methodology	Develop multiple sampling methods relevant to context.	Diane Reynolds Kate Bartram

Risk no.	Quarter identified	Associated measure	Risk	Probability	Impact	Response option	Mitigating actions	Owner
19	Q2	2.1.2 Training and Competency	As larger systems roll out (eLMIS, CI decentralization), more people with diverse profiles will be trained.	Medium	Medium	Mitigate	HRCD TWG will review (June 2014) approach and identify complementary activities (supervision, mentoring) to increase competency.	HRCD Principal Advisor
20	Q2	1.2.2a OTD: Core Products	New Global Fund ARV tender.	High	High	Mitigate	Monitor and review procurement strategy.	Steve Patras
21	Q2	2.2.1 Supply Chain Performance (SCMS-Supported)	Haiti's transition to a new system, DHIS2, and transition of data reporting ownership to PEPFAR National Logistics Advisors (PNLAs) present performance challenges.	High	High	Mitigate	Implement incentive strategy to ensure timely reports. Advocate for more PNLAs within networks that currently have 15+ sites.	Alan Pringle
22	Q2	2.2.1 Supply Chain Performance (SCMS-Supported)	Countries with low performance management maturity risk low performance scores.	Medium	Medium	Mitigate	Continue to work with FOs that have low performance management maturity.	Alan Pringle Doug Schlemmer
23	Q2	3.1.1 Coordinated Procurement Mechanism	Low levels of SCMS/PPM coordination could affect performance, particularly through transition.	High	High	Mitigate	Develop formal PFSCM interproject communication policy.	Rich Owens Stephanie Xueref Gordon Comstock Greg Miles

Risk no.	Quarter identified	Associated measure	Risk	Probability	Impact	Response option	Mitigating actions	Owner
24	Q2	1.4.1 Planned, Unplanned, and Emergency Orders	Unplanned VMMC orders cannot be fulfilled by the requested date.	Medium	Medium	Mitigate	Continue working with countries to improve VMMC commodity planning.	Juan Jaramillo
25	Q2	2.2.1 Supply Chain Performance (SCMS-Supported)	Expiring stock is not considered early enough to allow lead times for restock.	Medium	Medium	Mitigate	Issue guidance note to FO with expiry management guidance.	Robert Burn
26	Q3	4.1.3 Ocean Freight: Percentage of All Freight	Lack of supply planning and emergency orders can limit the use of ocean freight.	Medium	High	Avoid	Monitor supply plans against actual orders to see if lack of compliance resulted in use of premium air transportation.	Freight and Logistics Demand Planning
27	Q3	1.2.2a OTD: Core Products	Low VOTD affects overall country OTD (ARVs and essential medicines).	High	High	Mitigate	Continue implementing vendor management.	Ard Van Dongen Henk den Besten
28	Q3	1.2.2a OTD: Core Products	Low VOTD affects overall country OTD (ARVs and essential medicines).	High	High	Mitigate	Continue implementing vendor management.	Ard Van Dongen Henk den Besten
29	Q3	2.1.2 Training and Competency	On-the-job training (OJT)/supervision competency standard is lacking, as is the ability to determine performance impact.	Medium	Medium	Mitigate	HRCD TWG will provide complementary activities to support OJT, supervision, and competency mapping.	Cheryl Mayo

Risk no.	Quarter identified	Associated measure	Risk	Probability	Impact	Response option	Mitigating actions	Owner
30	Q3	1.2.2a OTD: Core Products	Import waiver processing time.	Medium	High	Mitigate	Freight and Logistics to provide regular updates to its lead time matrix so buyers can provide clients with accurate lead time.	Laura Thomas Gary Carle
31	Q4	1.2.2a OTD: Core Products	Supply of L/R must be monitored as demand increases and generics lose interest.	High	High	Mitigate	Initiate meetings with AbbVie and generic manufacturers and develop a strategy.	Robert Staley Bert van Wijk
32	Q4	1.2.3b On-Time PQ Turnaround: HIV Test Kits	The PQ process is experiencing delays.	Medium	High	Mitigate	Work with FO and non-FO countries to reduce the likelihood of delays after a PQ is submitted for internal approval.	Laura Thomas Irma Karsten Cyril Mabingo
33	Q4	3.1.1 Coordinated Procurement Mechanism	Zimbabwe MOH funding gaps while continuing to add new patients might contribute to future stockouts.	High	High	Mitigate	Continue to advocate through USAID/ Zimbabwe.	Olya Duzey
34	Q2	4.1.1a Cost Effective: RDC Expiry and BRC Reporting	Non-sale and possible expiry of PrePex.	High	High	Mitigate	Work with USAID to locate consumers.	Juan Jaramillo

Risk no.	Quarter identified	Associated measure	Risk	Probability	Impact	Response option	Mitigating actions	Owner
35	Q2	1.2.2a OTD: Core Products	Zambia continues to experience warehouse capacity problems.	High	Medium	Mitigate	Monitor the problem closely to manage and pace deliveries to allow for acceptance at destination.	Gary Carle
36	Q2	1.2.2a OTD: Core Products	Lead times for direct drop shipments from vendors are short.	Medium–Low	High	Mitigate	Discuss with vendors to standardize lead times for direct drop shipments.	Juan Jaramillo
37	Q2	1.2.3c On-Time PQ Turnaround: VMMC Kits	Most new quotes are direct drops; risks decrease performance.	High	High	Mitigate	Monitor all orders and be in constant contact with vendors.	Juan Jaramillo
38	Q3	3.1.2 Number of CPP Country-at-Risk Schedule Submissions per Year	External (countries/ CPP members providing data and information).	Medium	Medium	Mitigate	Provide ongoing consultation on CPP value.	Dominique Zwinkels
39	Q1	1.2.2a OTD: Core Products	Vendors have issues with Lopinavir/Ritonavir (L/R) and Atazanavir/ Ritonavir (A/R), affecting client on-time delivery.	High	High	Discuss with vendors	Mylan claims improvement plan to increase capacity from April for A/R. AbbVie (major for L/R) has increased lead times to 12–20 weeks, so currently cautious with demand fulfillment to serve all clients.	Natasha Chris Larson John Vivalo

Annex 6. SCMS Performance Management Plan

The SCMS quarterly performance report is based on the SCMS Performance Management Plan. Use the link below to access this reference document.



SCMS PMP FINAL
December_2012